

COUNTY OF FAUQUIER, VIRGINIA**Exhibit 4****Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Assets
Fiscal Year Ended June 30, 2005**

		Primary Government
Total fund balances - governmental funds	\$	54,952,422
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:		
Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds (excludes \$133,496 related to internal service fund assets).		99,015,030
Deferred revenue represents amounts that were not available to fund current expenditures and therefore is not reported as revenue in the governmental funds.		5,801,844
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(1,150,781)
Internal service funds are used by management to charge the costs of fleet maintenance and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		3,846,771
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Capital leases	(7,690,082)	
Revenue bonds	(2,840,000)	
General obligation bonds	(48,465,000)	
Premiums on bonds payable	(1,016,536)	
Compensated absences (excludes \$72,469 for Internal Service Funds)	(2,798,296)	
Total long-term liabilities		(62,809,914)
Net assets of governmental activities	\$	99,655,372

The accompanying notes to financial statements are an integral part of this statement.